## Claims

- A method of optimizing investment performance of an economic entity comprising the following steps:
- providing on an investment date, a first account in a first regulatory environment, the first account owning an investment portfolio;
- providing a second account in a second regulatory environment;
- transferring market risk but not credit risk from the first account to the second account through a counterparty; and
- recognizing one of gains and losses in said second account at a future date from the investment date.
- 2. A method according to claim 1 wherein the step of transferring market risk but not credit risk from the first account to the second account through a counterparty is accomplished according to the following sub-steps:
- entering into a first derivative transaction between the first account and a first counterparty whereby market risk is transferred to the first counterparty; and
- entering into a second derivative transaction between the second account and a second counterparty whereby market risk is transferred to the second account from the second counterparty.

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3. A method according to claim 2 wherein the first counterparty and the second counterparty are separate counterparties.

- 4. A method according to claim 2 wherein the first counterparty and the second counterparty are the same counterparty.
- 5 S. A method according to claim 2 wherein the derivative transaction between the first account and the counterparty is carried out through an intermediary.
  - 6. A method according to claim 5 wherein the intermediary is a counterparty selected from the group consisting of a fund manager, a bank, a mutual fund, a financial services company, a trust, a limited partnership, an organization that issues securities and enters into derivative contract agreements and an organization that manages funds on behalf of a third party.
  - 7. A method according to claim 2 wherein a performance of the second derivative transaction is guaranteed by a third party guarantor.
  - 8. A method according to claim 2 wherein the first derivative transaction is selected from the group consisting of a forward contract, an option contract, a collar contract and a derivative contract that transfers market risk.

- 9. A method according to claim 2 wherein the second derivative transaction is selected from the group consisting of a forward contract, an option contract, a collar contract and a derivative contract that transfers market risk.
- 5 10. A method according to claim 1 wherein the counterparty is selected from the group consisting of a bank, a mutual fund, a financial services company, a trust, a limited partnership, an organization that issues securities and enters into derivative contract agreements and an organization that manages funds on behalf of a third party.
- 10 11. A method according to claim 2 wherein the first account owns the investment portfolio indirectly through the ownership of an investment unit.
  - 12. A method according to claim 1 wherein the future date from the investment date is at least one year.
  - 13. A method according to claim 2 wherein said first and second derivative transactions are reverse transactions.
  - 14. A system for optimizing investment performance of an economic entity comprising:
- a first account in a first regulatory environment, said first account owning an investment portfolio on an investment date;
  - a second account in a second regulatory environment;

- means for processing data relating to a transfer of market risk but not credit risk from the first account to the second account through a counterparty; and
- means for calculating one of gains and losses in said second account at a future date
  from the investment date.
- 5 15. A system according to claim 14 further comprising:
  - means for processing data relating to a first derivative transaction between the first account and a first counterparty whereby market risk is transferred to the first counterparty; and
  - means for processing data relating to a second derivative transaction between the second account and a second counterparty whereby market risk is transferred to the second account from the second counterparty.
  - 16. A system according to claim 15 wherein the first counterparty and the second counterparty are separate counterparties.
  - 17. A system according to claim 15 wherein the first counterparty and the second counterparty are the same counterparty.
- 18. A system according to claim 15 wherein the derivative transaction between the first account and the counterparty is carried out through an intermediary.

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- 19. A system according to claim 18 wherein the intermediary is a counterparty selected from the group consisting of a fund manager, a bank, a mutual fund, a financial services company, a trust, a limited partnership, an organization that issues securities and enters into derivative contract agreements and an organization that manages funds on behalf of a third party.
- 20. A system according to claim 15 wherein a performance of the second derivative transaction is guaranteed by a third party guarantor.
- 21. A system according to claim 15 wherein the first derivative transaction is selected from the group consisting of a forward contract, an option contract, a collar contract and a derivative contract that transfers market risk.
  - 22. A system according to claim 15 wherein the second derivative transaction is selected from the group consisting of a forward, option, a collar contract and a derivative contract that transfers market risk.
  - 23. A system according to claim 15 wherein the counterparty is selected from the group consisting of a bank, a mutual fund, a financial services company, a trust, a limited partnership, an organization that issues securities and enters into derivative contract agreements and an organization that manages funds on behalf of a third party.

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- 24. A system according to claim 14 wherein the first account owns the investment portfolio indirectly through the ownership of an investment unit.
- 25. A system according to claim 14 wherein the future date from the investment date is at least one year.
- 26. A system according to claim 15 wherein said first and second derivative transactions are reverse transactions.
- 27. A system for transferring market risk but not credit risk of an economic entity from a first account owning an investment portfolio in a first regulatory environment to a second account in a second regulatory environment, the system comprising:
  - a memory for storing data relating to assets in said first and second accounts; and
  - a data processor for processing the data and calculating the value of said assets.
  - 28. A system according to claim 27 wherein the market risk is transferred from the first account to the second account by way of a derivative transaction.
- 29. A system according to claim 28 wherein the derivative transaction is carried out through a counterparty.

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- 30. A system according to claim 29 wherein the derivative transaction is carried out through an intermediary.
- 31. A system according to claim 29 wherein the intermediary is a counterparty selected from the group consisting of a fund manager, a bank, a mutual fund, a financial services company, a trust, a limited partnership, an organization that issues securities and enters into derivative contract agreements and an organization that manages funds on behalf of a third party.
- 32. A system according to claim 29 wherein a performance of the derivative transaction is guaranteed by a third party guarantor.
- 33. A system according to claim 28 wherein the derivative transaction is selected from the group consisting of a forward contract, an option contract, a collar contract and a derivative contract that transfers market risk.
- 34. A system according to claim 29 wherein the counterparty is selected from the group consisting of a bank, a mutual fund, a financial services company, a trust, a limited partnership, an organization that issues securities and enters into derivative contract agreements and an organization that manages funds on behalf of a third party.

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- 35. A system according to claim 27 wherein the first account owns the investment portfolio indirectly through the ownership of an investment unit.
- 36. A data processing system for managing the investment performance of an economic entity having a first account in a first regulatory environment and a second account in a second regulatory environment, said first account having an investment portfolio on an investment date, the system comprising:
- a data processor for processing data relating to a transfer of market risk but not credit risk from the first account to the second account through a counterparty; and
- a computer for storing data relating to assets in the first and second accounts and calculating one of gains and losses in the value of assets in said second account at a future date from the investment date.

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37. A system according to claim 36 wherein the data processor processes data relating to a first derivative transaction between the first account and a first counterparty whereby market risk is transferred to the first counterparty and data relating to a second derivative transaction between the second account and a second counterparty whereby market risk is transferred to the second account from the second counterparty.

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- 38. A system according to claim 37 wherein the derivative transaction between the first account and the counterparty is carried out through an intermediary.
- 39. A system according to claim 36 wherein the first account owns the investment portfolio indirectly through the ownership of an investment unit.
- 40. A computer readable storage medium containing computer executable code for instructing a computer to operate as follows:
- storing data relating to a first account in a first regulatory environment, the first account owning an investment portfolio on an investment date;
- storing data relating to a second account in a second regulatory environment;
- processing data relating to a first derivative transaction between the first account and
  a first counterparty whereby market risk is transferred to the first counterparty;
- processing data relating to a second derivative transaction between the second account and a second counterparty whereby market risk is transferred to the second account from the second counterparty; and
- calculating one of gains and losses in said second account at a future date from the investment date.